

I was pleased to participate in a hearing today on proposals to legalize and tax internet gambling.

In 2006, I was one of 317 members who voted to restrict internet gambling. In the four years since, I have come to the conclusion that I was wrong.

Not only are we missing out on a major revenue source, at a time when we're working to rein in the deficit and spend money on important job and health care initiatives, but we're also missing out on a vital job creation opportunity.

Estimates show that nearly \$106 billion a year is wagered illegally offshore by U.S. gamblers. Analysts suggest that capturing the revenue from all forms of internet gambling could create just under 32,000 jobs.

More fundamentally, I have come to the conclusion that prohibiting online gambling is hypocritical. After all, certain types of online gambling were exempted from the prohibition, such as fantasy football leagues, horse and harness racing, and lotteries. It does not make sense to single out internet gambling for enforcement, which for all practical purposes is indistinguishable from other types of gambling that evade regulation.

Last, but by no means least, there is the opportunity to redirect \$40 billion from profits of offshore gambling operations to the federal government, where it could be used to reduce the deficit, support foster children as Mr. McDermott's bill calls for, or revitalize a range of needed federal programs.

Beginning June 1, 2010, current law will require banks to prohibit transfers between personal accounts and online gambling sites. It is doubtful that financial institutions will be able to appropriately police these transactions. The best solution is to end the prohibition on online poker and proceed with reasonable regulations. This will move this hidden economy into the open, improve consumer protections and safety, and allow revenue to flow to U.S. taxpayers, rather than to illegal foreign operations. I look forward to seeing both the legislation that establishes this system of regulation, as well as legislation that raises revenue from online gambling, enacted into law. I am proud to cosponsor both bills and look forward to early action by Congress.